



House of Representatives

General Assembly

File No. 67

February Session, 2018

House Bill No. 5253

House of Representatives, March 28, 2018

The Committee on Human Services reported through REP. ABERCROMBIE of the 83rd Dist., Chairperson of the Committee on the part of the House, that the bill ought to pass.

AN ACT EXPANDING ACCESS TO THE MONEY FOLLOWS THE PERSON DEMONSTRATION PROJECT AND REPEALING OBSOLETE STATUTES.

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. Subsection (a) of section 17b-369 of the 2018 supplement
2 to the general statutes is repealed and the following is substituted in
3 lieu thereof (*Effective from passage*):

4 (a) The Commissioner of Social Services, pursuant to Section 6071 of
5 the Deficit Reduction Act of 2005, shall submit an application to the
6 Secretary of Health and Human Services to establish a Money Follows
7 the Person demonstration project. Such project shall [serve not more
8 than five thousand persons and shall] be designed to achieve the
9 objectives set forth in Section 6071(a) of the Deficit Reduction Act of
10 2005. Services available under the demonstration project shall include,
11 but need not be limited to, personal care assistance services. The
12 commissioner may apply for a Medicaid research and demonstration
13 waiver under Section 1115 of the Social Security Act, if such waiver is

14 necessary to implement the demonstration project. The commissioner
15 may, if necessary, modify any existing Medicaid home or community-
16 based waiver if such modification is required to implement the
17 demonstration project.

18 Sec. 2. Sections 17b-241b, 17b-242b, 17b-258, 17b-260c, 17b-263a and
19 17b-600a of the general statutes are repealed. (*Effective from passage*)

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>from passage</i>	17b-369(a)
Sec. 2	<i>from passage</i>	Repealer section

HS *Joint Favorable*

The following Fiscal Impact Statement and Bill Analysis are prepared for the benefit of the members of the General Assembly, solely for purposes of information, summarization and explanation and do not represent the intent of the General Assembly or either chamber thereof for any purpose. In general, fiscal impacts are based upon a variety of informational sources, including the analyst's professional knowledge. Whenever applicable, agency data is consulted as part of the analysis, however final products do not necessarily reflect an assessment from any specific department.

OFA Fiscal Note

State Impact:

Agency Affected	Fund-Effect	FY 18	FY 19
Social Services, Dept.	GF - Cost Avoidance	Potential	Potential

Note: GF=General Fund

Municipal Impact: None

Explanation

The bill could result in a cost avoidance associated with removing the cap on the number of individuals served by the Money Follows the Person (MFP) demonstration project.

The current cap limits the number of individuals who would otherwise transition into the community, which could result in an increased cost of care for those individuals. Generally, the cost of care in an institution is higher than the cost of care in the community. Gross nursing home costs under Medicaid are approximately \$6,000 per person per month while Medicaid costs under MFP are approximately \$3,500 per person per month. During the length of the demonstration project, MFP participant costs receive 75% federal reimbursement for the first 365 days after transitioning to the community. This means the state cost of an MFP participant is approximately \$875 per month during that period, versus a state cost of \$3,000 per month for nursing home care. After the first year, MFP participants are reimbursed at a

50% rate.¹

The actual impact of the bill depends on when the number of individuals transitioning to the community would exceed the cap and their associated cost of care.

The Out Years

The annualized ongoing fiscal impact identified above would continue into the future subject to the number of individuals transitioning to the community and their associated cost of care.

Sources: Department of Social Services Caseload Information

¹ The date of the last MFP funded transition is December 31, 2018, with funding available for use through FY 20. An enhanced reimbursement rate of 75% is eligible for costs incurred in the first 365 days after individuals transition to the community on and before 12/31/18.

OLR Bill Analysis**HB 5253*****AN ACT EXPANDING ACCESS TO THE MONEY FOLLOWS THE PERSON DEMONSTRATION PROJECT AND REPEALING OBSOLETE STATUTES.*****SUMMARY**

This bill removes the 5,000-person cap on the number of individuals who may be served under the Money Follows the Person (MFP) demonstration program, which supports Medicaid enrollees who choose to transition from living in institutions to less restrictive, community-based settings. It also repeals various obsolete or inoperative provisions of the human services statutes.

EFFECTIVE DATE: Upon passage

REPEALED STATUTES

1. Requiring the Department of Social Services (DSS) to submit a Medicaid state plan amendment for a one-time Medicaid rate increase, within available appropriations, for private psychiatric residential treatment facilities. DSS did so in 2014 (CGS § 17b-241b).
2. Requiring DSS to establish and operate a two year, state-funded pilot program, subject to available appropriations, for up to 10 ventilator-dependent Medicaid recipients in Fairfield County who receive medical care at home. DSS has not implemented the program to date (CGS § 17b-242b).
3. Allowing DSS to establish a two-year pilot program to provide health insurance assistance for unemployed people under 200% of the federal poverty level (FPL) and with less than \$10,000 in cash assets and requiring DSS to implement regulations to

execute the program. To date, DSS has not implemented the program or adopted regulations (CGS § 17b-258).

4. Requiring DSS to apply for a Medicaid waiver to provide coverage of family planning services to adults at 185% of the FPL and report to the legislature by 2010 if they fail to seek the waiver (CGS § 17b-260c). DSS has established a family planning coverage group as permitted by the Affordable Care Act.
5. Requiring (1) DSS, in consultation with the Department of Mental Health and Addiction Services (DMHAS), to amend the Medicaid state plan before 2007 to include assertive community treatment teams and community support services within the definition of optional adult rehabilitation services and (2) DMHAS to be responsible for clinical management of adult rehabilitation services provided to adults receiving DMHAS services (CGS § 17b-263a).
6. Requiring DSS to (a) establish a pilot program to provide financial benefits to people with severe physical disabilities who cannot transfer independently during an emergency and live with people who could transfer them and (b) adopt regulations to administer the program. DSS implemented the program, but did not enact regulations (CGS § 17b-600a).

BACKGROUND

Money Follows the Person

Authorized by the federal Deficit Reduction Act of 2005, MFP is designed to help states rebalance their long-term care systems by offering (1) enhanced federal Medicaid reimbursement for the first 12 months the participant lives in the community and (2) flexibility to provide supplemental support services, such as housing coordinators, that Medicaid does not typically cover.

DSS implemented MFP in December 2008. To qualify, a person must (1) have been institutionalized for at least 90 days and (2) meet Medicaid eligibility criteria. In addition, it cannot cost more to care for

the person in the community than in an institution.

As of June 30, 2017, DSS has transitioned a total of 4,447 institutionalized people into the community since the program's inception and projects an additional 716 participants will transition in FY 18.

COMMITTEE ACTION

Human Services Committee

Joint Favorable

Yea 18 Nay 0 (03/16/2018)